

**MARYSVALE TOWN**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2005**

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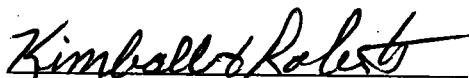
## ACCOUNTANT'S REPORT

Honorable Mayor and Town Council  
Marysvale Town  
Marysvale, Utah 84750

We have compiled the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Marysvale Town as of and for the year ended June 30, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion, or any other form of assurance, on them.

The management's discussion and analysis and budgetary comparison information, on pages 4 through 15 and 40 through 42, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.



KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

December 19, 2005  
Richfield, Utah

**MARYSVALE TOWN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2005**

This discussion of Marysville Town's financial performance provided an overview of the Town's financial activities for the year ending June 30, 2005. This report is in conjunction with the Town's financial statements.

The purpose of the Town is to provide general services to its residents which includes general government, public safety, highways and public improvements, culture and recreation.

**Financial Highlights**

- \* The assets of the Town exceeded its liabilities as of the close of the most recent year by \$823,710 (net assets). Of this amount, \$97,214 (unrestricted net assets) which may be used to meet its ongoing obligations to citizens and creditors.
- \* The government's total net assets decreased by \$13,304. The revenues were less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts in the general fund.
- \* At the close of the current year, the Town's governmental fund reported ending fund balance of \$64,679, an increase of \$46,642 in comparison with the prior year. The general fund's unrestricted fund balance was \$7,125 at year end.
- \* The Town's total debt decreased by \$12,970 during the current year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**MARYSVALE TOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2005**

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include general government, public safety, highways and streets, sanitation, culture and recreation, and economic development. The business-type activity of the Town is water operations.

Refer to the table of contents for the location of the government-wide financial statements.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and enterprise funds.

**Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund.

The Town adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

**Proprietary Funds**

Marysville Town maintains one proprietary fund. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

**MARYSVALE TOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2005**

**Proprietary Funds - continued.**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provides separate information for the water operations.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

**Notes To The Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Marysville Town, assets exceeded liabilities by \$823,710 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets (79 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net assets (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$97,214, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**MARYSVALE TOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2005**

**Marysvale Town's Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current and Other Assets	64,679	18,037	90,089	108,539	154,768	126,576
Capital Assets	<u>353,393</u>	<u>372,373</u>	<u>520,783</u>	<u>529,660</u>	<u>874,176</u>	<u>902,033</u>
Total Assets	<u>418,072</u>	<u>390,410</u>	<u>610,872</u>	<u>638,199</u>	<u>1,028,944</u>	<u>1,028,609</u>
Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>205,234</u>	<u>218,203</u>	<u>205,234</u>	<u>218,203</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>205,234</u>	<u>218,203</u>	<u>205,234</u>	<u>218,203</u>
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	353,393	372,373	301,281	311,457	654,674	683,830
Restricted	57,554	25,158	14,268	14,268	71,822	39,426
Unrestricted	<u>7,125</u>	<u>(7,121)</u>	<u>90,089</u>	<u>94,271</u>	<u>97,214</u>	<u>87,150</u>
Total Net Assets	<u>418,072</u>	<u>390,410</u>	<u>405,638</u>	<u>419,996</u>	<u>823,710</u>	<u>810,406</u>

**Governmental Activities**

Governmental activities increased Marysvale Town's net assets by \$27,662.

A comparative analysis will be provided in future years when prior year information is available.

**MARYSVALE TOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2005**

**Marysville Town's Changes in Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	31,230	24,626	41,604	54,744	72,834	79,370
Operating Grants	41,229	46,943	-	-	41,229	46,943
Capital Grants	20,513	-	-	-	20,513	-
General Revenues:						
Property Taxes	13,745	11,946	-	-	13,745	11,946
Other Taxes	37,654	35,201	-	-	37,654	35,201
Unrestricted Investment	2,229	-	-	-	2,229	-
Earnings	-	1,154	-	-	-	1,154
<b>Total Revenues</b>	<b>146,600</b>	<b>119,870</b>	<b>41,604</b>	<b>54,744</b>	<b>188,204</b>	<b>174,614</b>
<b>Expenses:</b>						
General Government	28,654	43,281	-	-	28,654	43,281
Public Safety	16,404	19,183	-	-	16,404	19,183
Highways & Streets	43,966	80,597	-	-	43,966	80,597
Sanitation	17,764	9,557	-	-	17,764	9,557
Culture and Recreation	7,816	7,481	-	-	7,816	7,481
Economic Development	4,334	1,667	-	-	4,334	1,667
Water Operations	-	-	55,962	57,405	55,962	57,405
<b>Total Expenses</b>	<b>118,938</b>	<b>161,766</b>	<b>55,962</b>	<b>57,405</b>	<b>174,900</b>	<b>219,171</b>
<b>Increase in Net Assets</b>						
Before Transfers	27,662	(41,896)	(14,358)	(2,661)	13,304	(44,557)
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in Net Assets</b>	<b>27,662</b>	<b>(41,896)</b>	<b>(14,358)</b>	<b>(2,661)</b>	<b>13,304</b>	<b>(44,557)</b>
<b>Net Assets - Beginning</b>	<b>390,410</b>	<b>432,306</b>	<b>419,996</b>	<b>422,657</b>	<b>810,406</b>	<b>854,963</b>
<b>Net Assets - Ending</b>	<b>418,072</b>	<b>390,410</b>	<b>405,638</b>	<b>419,996</b>	<b>823,710</b>	<b>810,406</b>

\* The Town received operating grants of \$41,229. Class C Roads received \$40,380 and the Liquor Law grant was \$849. They also received two capital grants for sidewalks and park building for \$20,513.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.



**MARYSVALE TOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2005**

**Business-Type Activities**

Business-type activities decreased the Town's net assets by \$14,358.

- \* For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.
- \* The depreciation in the enterprise funds remained the same as the prior year.

**Financial Analysis of the Government's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the Town's governmental fund (general fund) reported combined ending fund balance of \$64,679, an increase of \$46,642 in comparison with the prior year.

The remainder of \$57,554 is *reserved* to indicate that it is not available for new spending because it has already been committed to highways and streets.

**Proprietary Funds**

The Town's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the water fund at the end of the year was \$90,089. Other factors concerning the finances of these funds has already been addressed in the discussion of the Town's business-type activities.

**General Fund Budgetary Highlights**

The difference in the beginning and ending budgets was an increase of \$23,000.

Actual revenues were less than budgeted revenues by \$1,500 and actual expenditures were less than budgeted expenditures by \$48,142 resulting in a net increase in fund balance of \$46,642.

**MARYSVALE TOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2005**

**Capital Asset and Debt Administration**

**Capital Assets**

Marysville Town's investment in capital assets for its governmental activities as of June 30, 2005, was \$353,393 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads and highways. A major capital addition for the year was sidewalks, which are in progress of \$12,399.

**Marysville Town's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	38,816	38,816	-	-	38,816	38,816
Infrastructure	186,000	209,250	-	-	186,000	209,250
Buildings	48,043	50,700	-	-	48,043	50,700
Water System	-	-	506,515	529,660	506,515	529,660
Equipment	68,135	73,607	-	-	68,135	73,607
Construction in Progress	12,399	-	-	-	12,399	-
Total	<u>353,393</u>	<u>372,373</u>	<u>506,515</u>	<u>529,660</u>	<u>859,908</u>	<u>902,033</u>

Additional information on the Town's capital assets can be found in the notes to the financial statements.

**Long -Term Debt**

At the end of the current year, the Town's had total bonded debt outstanding of \$200,468 and notes payable of \$4,766. The revenue bonds represent debt that is secured by specified revenue sources.

**Marysville Town's Long-Term Debt**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Notes Payable	-	-	4,766	14,383	4,766	14,383
Revenue Bonds	-	-	200,468	203,820	200,468	203,820
Total Long-Term Debt	<u>-</u>	<u>-</u>	<u>205,234</u>	<u>218,203</u>	<u>205,234</u>	<u>218,203</u>

**MARYSVALE TOWN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2005**

**Long -Term Debt - Continued.**

State statutes limit the amount of general obligation debt a governmental entity may issue. A town may issue up to 12% of the total fair market value of taxable property in the Town. The Town has no general obligation debt.

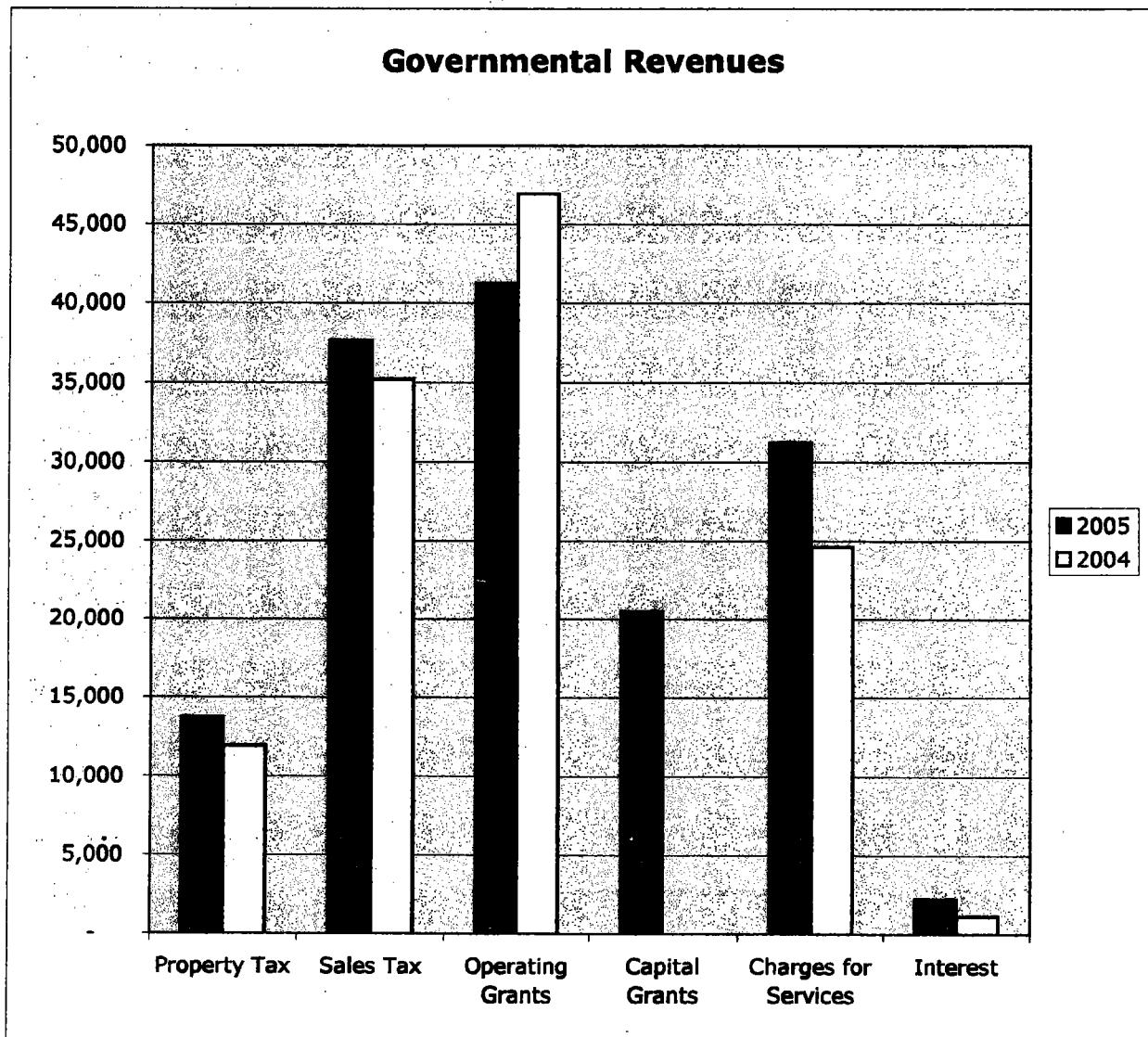
Additional information on the Town's long-term debt can be found in the notes of the financial statements.

**Request for Information**

This financial report is designed to provide a general overview of Marysvale Town finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Marysvale Town Clerk, P.O. Box 160, Marysvale, Utah, 84750.

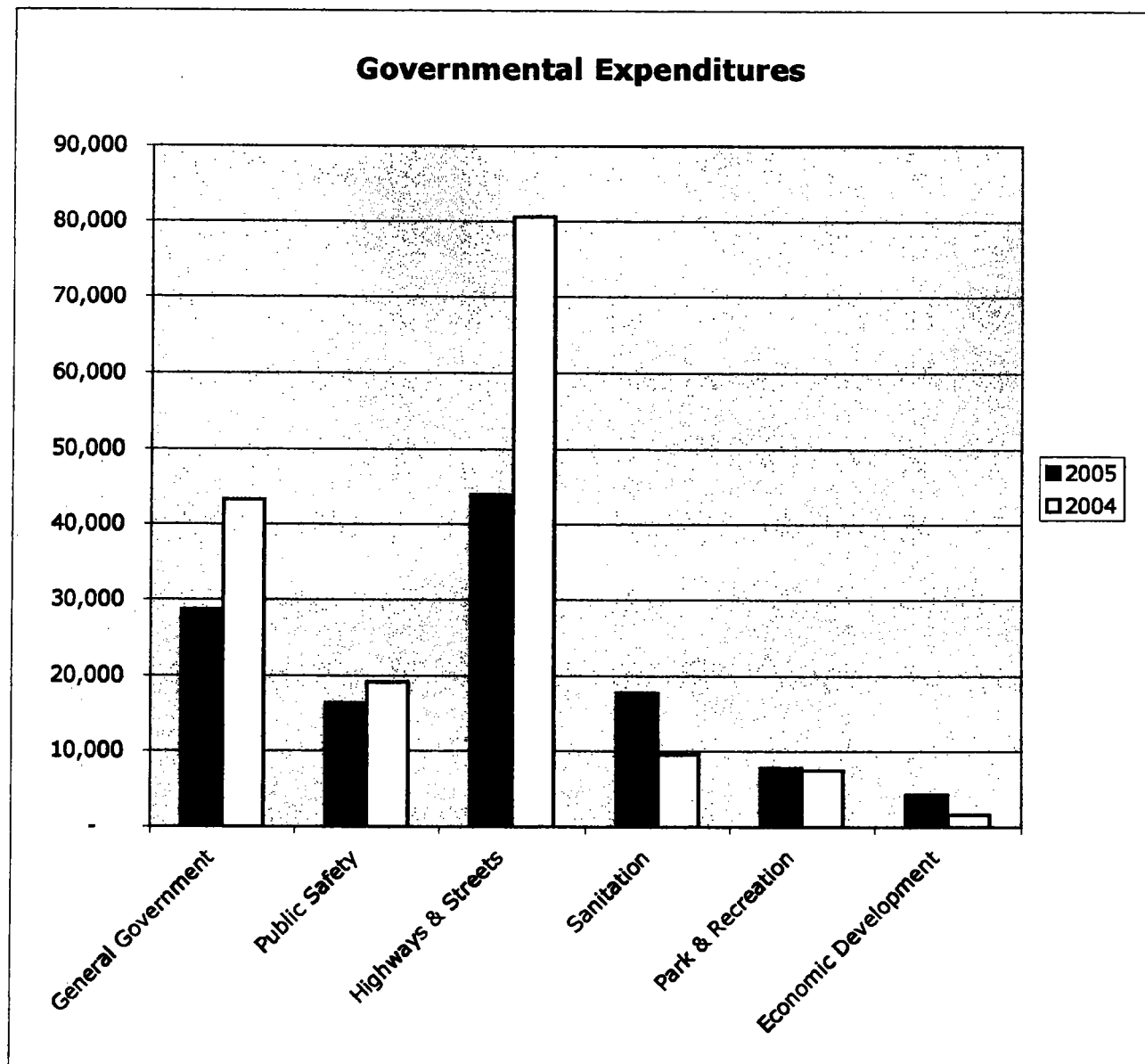
**Marysville Town  
Governmental Revenues  
For The Fiscal Years Ending June 30, 2005 and 2004**

	2005	2004
Property Tax	13,745	11,946
Sales Tax	37,654	35,201
Operating Grants	41,229	46,943
Capital Grants	20,513	-
Charges for Services	31,230	24,626
Interest	2,229	1,154
<b>Total Revenues</b>	<b>146,600</b>	<b>119,870</b>



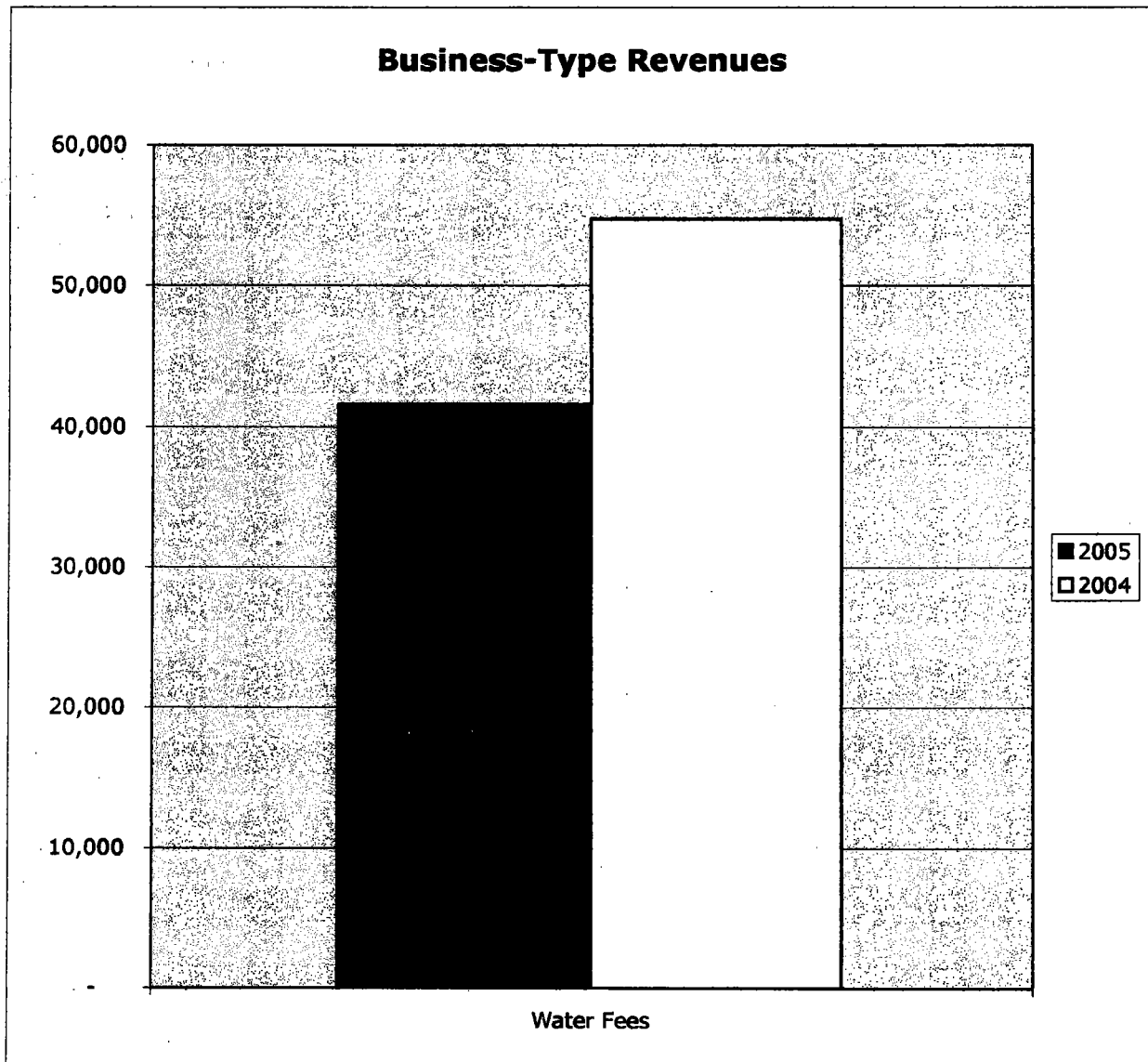
**Marysville Town  
Governmental Expenditures  
For The Fiscal Years Ending June 30, 2005 and 2004**

	2005	2004
General Government	28,654	43,281
Public Safety	16,404	19,183
Highways & Streets	43,966	80,597
Sanitation	17,764	9,557
Park & Recreation	7,816	7,481
Economic Development	4,334	1,667
<b>Total Expenditures</b>	<b>118,938</b>	<b>161,766</b>



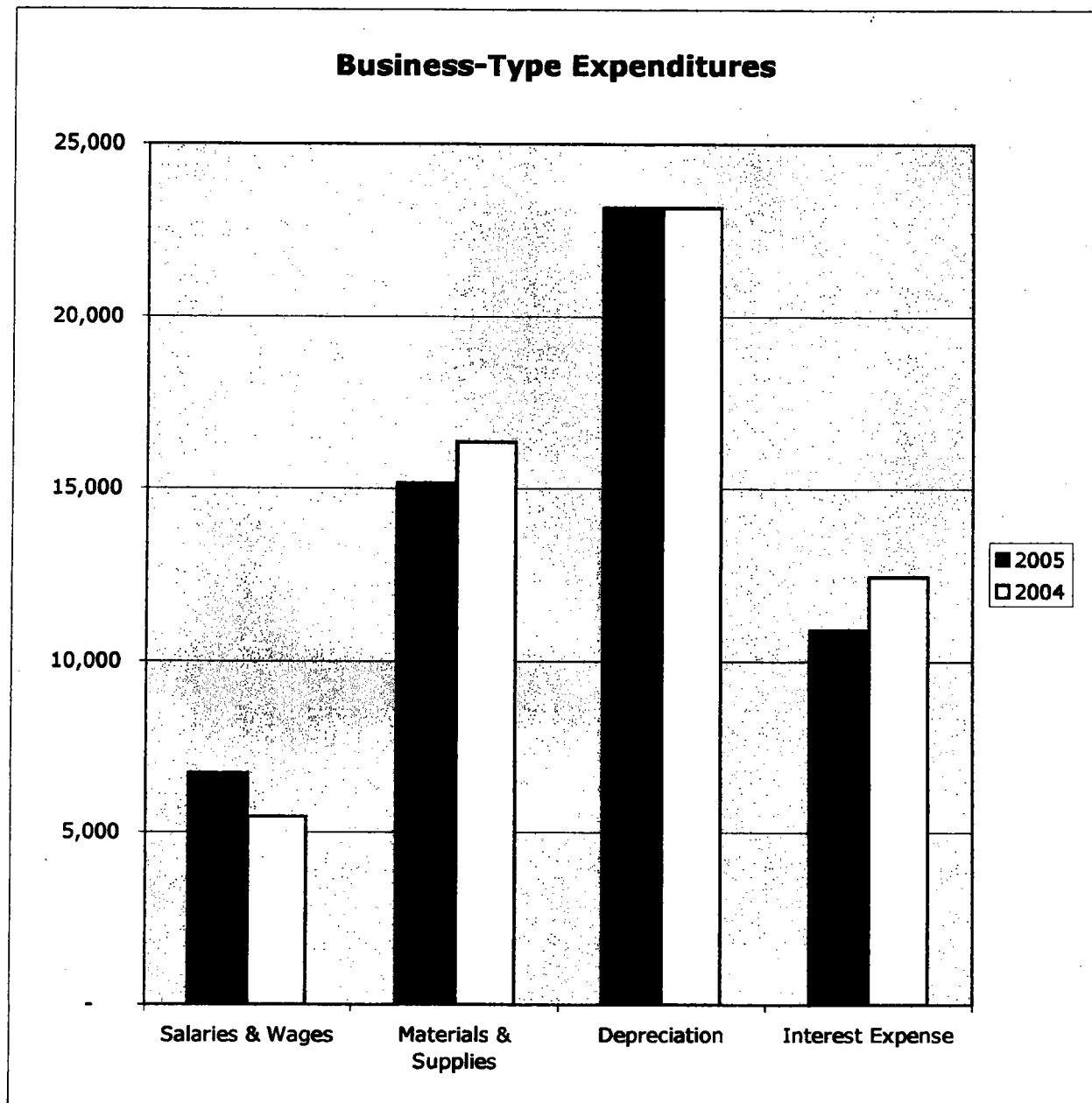
**Marysville Town  
Business-Type Revenues  
For The Fiscal Years Ending June 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Water Fees	41,604	54,744
Total Revenues	<u>41,604</u>	<u>54,744</u>



**Marysvale Town**  
**Business Type Expenditures**  
**For The Fiscal Years Ending June 30, 2005 and 2004**

	2005	2004
Salaries & Wages	6,738	5,454
Materials & Supplies	15,157	16,352
Depreciation	23,145	23,145
Interest Expense	10,921	12,454
<b>Total Expenditures</b>	<b>55,961</b>	<b>57,405</b>



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# **BASIC FINANCIAL STATEMENTS**

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**MARYSVALE TOWN  
STATEMENT OF NET ASSETS**

June 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	64,679	83,349	148,028
Accounts Receivable (Net)	-	6,740	6,740
Total Current Assets	64,679	90,089	154,768
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	14,268	14,268
Capital Assets (Net of Accumulated Depreciation):			
Land	38,816	-	38,816
Buildings	48,043	-	48,043
Equipment	68,135	-	68,135
Water System	-	506,515	506,515
Infrastructure	186,000	-	186,000
Construction in Progress	12,399	-	12,399
Total Noncurrent Assets	353,393	520,783	874,176
TOTAL ASSETS	418,072	610,872	1,028,944
<b>LIABILITIES</b>			
Current Liabilities:			
Note Payable - Due Within One Year	-	4,766	4,766
Revenue Bonds Payable - Due Within One Year	-	3,272	3,272
Total Current Liabilities	-	8,038	8,038
Noncurrent Liabilities:			
Revenue Bonds Payable - Due More Than One Year	-	197,196	197,196
Total Noncurrent Liabilities	-	197,196	197,196
TOTAL LIABILITIES	-	205,234	205,234
<b>NET ASSETS</b>			
Investment in Capital Assets, Net of Debt	353,393	301,281	654,674
Restricted For:			
Bond Retirement	-	14,268	14,268
Class C Road	57,554	-	57,554
Unrestricted	7,125	90,089	97,214
TOTAL NET ASSETS	418,072	405,638	823,710
TOTAL LIABILITIES AND NET ASSETS	418,072	610,872	1,028,944

See accompanying notes and accountant's report.

**MARYSVALE TOWN  
STATEMENT OF ACTIVITIES**

**For The Fiscal Year Ended June 30, 2005**

Function/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants/Capital Grants/ Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
General Government	28,654	2,690	-	(25,964)	-	(25,964)
Public Safety	16,404	-	849	(15,555)	-	(15,555)
Highways and Streets	43,966	10,366	40,380	27,293	-	27,293
Sanitation	17,764	16,524	-	(1,240)	-	(1,240)
Culture and Recreation	7,816	1,650	-	(6,166)	-	(6,166)
Economic Development	4,334	-	-	(4,334)	-	(4,334)
<b>Total Governmental Activities</b>	<b>118,938</b>	<b>31,230</b>	<b>41,229</b>	<b>(25,966)</b>	<b>-</b>	<b>(25,966)</b>
<b>Business-Type Activities:</b>						
Water Fund	55,962	41,604	-	-	(14,358)	(14,358)
<b>Total Primary Government</b>	<b>174,900</b>	<b>72,834</b>	<b>41,229</b>	<b>(25,966)</b>	<b>(14,358)</b>	<b>(40,324)</b>
<b>General Revenues:</b>						
Property Taxes				13,745	-	13,745
Sales Taxes				37,654	-	37,654
Unrestricted Investment Earnings				2,229	-	2,229
<b>Total General Revenues and Transfers</b>				<b>53,628</b>	<b>-</b>	<b>53,628</b>
<b>Change in Net Assets</b>				<b>27,662</b>	<b>(14,358)</b>	<b>13,304</b>
<b>Net Assets - Beginning</b>				<b>390,410</b>	<b>419,996</b>	<b>810,406</b>
<b>Net Assets - Ending</b>				<b>418,072</b>	<b>405,638</b>	<b>823,710</b>

See accompanying notes and accountant's report.

**MARYSVALE TOWN  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

**For The Fiscal Year Ended June 30, 2005**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	<u>64,679</u>
<b>TOTAL ASSETS</b>	<u><u>64,679</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	<u>-</u>
Fund Balances:	
Reserved For:	
Class "C" Road	57,554
Unreserved, Reported In:	
General Fund	<u>7,125</u>
<b>Total Fund Balance</b>	<u><u>64,679</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>64,679</u></u>

See accompanying notes and accountant's report.

**MARYSVALE TOWN**  
**BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**June 30, 2005**

Total Fund Balances - Governmental Fund Types	64,679
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Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the funds:

Land	38,816	
Buildings	48,043	
Equipment	68,135	
Infrastructure	186,000	
Infrastructure	<u>12,399</u>	
 Total		 <u>353,393</u>

Net Assets of Government Activities	<u>418,072</u>
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**MARYSVALE TOWN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**For The Fiscal Year Ended June 30, 2005**

	<u>General Fund</u>
<b>Revenues:</b>	
Taxes	51,399
Licenses and Permits	716
Intergovernmental Revenue	61,741
Charges for Services	18,174
Interest	2,229
Miscellaneous Revenues	<u>12,341</u>
Total Revenues	<u>146,600</u>
<b>Expenditures:</b>	
Current:	
General Government	41,053
Public Safety	9,450
Highways and Streets	20,383
Sanitation	17,764
Culture and Recreation	6,974
Economic Development	<u>4,334</u>
Total Expenditures	<u>99,958</u>
Net Change In Fund Balance	46,642
Fund Balance - Beginning	<u>18,037</u>
Fund Balance - Ending	<u><u>64,679</u></u>

See accompanying notes and accountant's report.

**MARYSVALE TOWN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Fiscal Year Ended June 30, 2005**

Amounts reported for governmental activities in the statement of activities  
are different because:

Net Changes in Fund Balances - Total Governmental Funds	46,642
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Governmental funds report capital outlays as expenditures. However, in  
the statement of activities the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense. This is the  
amount by which capital outlays exceeded depreciation in the current period:

Depreciation Expense	(31,379)	
Capital Outlay	<u>12,399</u>	
Total		<u>(18,980)</u>

Changes In Net Assets of Governmental Activities	<u><u>27,662</u></u>
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**MARYSVALE TOWN  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND**

June 30, 2005

	Business-Type Activity Enterprise Fund
	<u>Water Fund</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	83,349
Accounts Receivable	<u>6,740</u>
Total Current Assets	<u>90,089</u>
Noncurrent Assets:	
Investments - Restricted:	
Bond Retirement	14,268
Capital Assets: (Net of Accum. Depr.)	
Water System	<u>506,515</u>
Total Noncurrent Assets	<u>520,783</u>
TOTAL ASSETS	<u><u>610,872</u></u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Loans Payable - Current Portion	4,766
Bonds Payable - Current Portion	<u>3,272</u>
Total Current Liabilities	<u>8,038</u>
Noncurrent Liabilities:	
Bonds Payable - Long-Term Portion	<u>197,196</u>
Total Noncurrent Liabilities	<u>197,196</u>
TOTAL LIABILITIES	<u>205,234</u>
<b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	301,281
Restricted for Bond Retirement	14,268
Unrestricted	<u>90,089</u>
TOTAL NET ASSETS	<u>405,638</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>610,872</u></u>

See accompanying notes and accountant's report.



**MARYSVALE TOWN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**

June 30, 2005

	Business-Type Activity Enterprise
	<u>Water Fund</u>
<b>Operating Revenues:</b>	
Charges for Sales and Services:	
Water	41,604
	<u>41,604</u>
Total Operating Revenues	<u>41,604</u>
<b>Operating Expenses:</b>	
Salaries	6,738
Materials and Supplies	15,158
Depreciation	23,145
	<u>45,041</u>
Total Operating Expenses	<u>45,041</u>
Operating Income	<u>(3,437)</u>
<b>Nonoperating Revenues (Expenses):</b>	
Interest Expense	<u>(10,921)</u>
Total Nonoperating Revenues (Expenses)	<u>(10,921)</u>
Change in Net Assets	(14,358)
Total Net Assets - Beginning	<u>419,996</u>
Total Net Assets - Ending	<u><u>405,638</u></u>

See accompanying notes and accountant's report.

**MARYSVALE TOWN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

**June 30, 2005**

	Business-Type Activity Enterprise
	<u>Water Fund</u>
<b>Cash Flows From Operating Activities:</b>	
Receipts From Customers	42,464
Payments to Suppliers	(15,157)
Payments to Employees	<u>(6,738)</u>
Net Cash Provided by Operating Activities	<u>20,569</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Principal Paid on Capital Debt	(12,970)
Interest Paid on Capital Debt	<u>(10,921)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(23,891)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,322)
Cash and Cash Equivalents - Beginning	<u>100,939</u>
Cash and Cash Equivalents - Ending	<u><u>97,617</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:</b>	
Operating Income	<u>(3,437)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:	
Depreciation	23,145
Increase (Decrease) in Operating Assets:	
Accounts Receivable	<u>861</u>
Total Adjustments	<u>24,006</u>
Net Cash Provided (Used) by Operating Activities	<u><u>20,569</u></u>

See accompanying notes and accountant's report.

**MARYSVALE TOWN  
NOTES TO FINANCIAL STATEMENTS**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Marysville conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2005.

The following is a summary of the more significant policies:

**A. Reporting Entity**

Marysville Town is a municipal corporation in Piute County, Utah. It is governed by an elected Mayor and four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, Marysville Town, the reporting entity. The Town has no component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town of Marysville considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Government reports the following Proprietary Funds:

The Utility Funds accounts for the activities of the City water operations. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

**MARYSVALE TOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Water System	40 Years
Equipment	10 - 15 Years

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Property Taxes**

Property taxes are assessed and collected for the Town by Garfield County and remitted to the Town shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Budgets and Budgetary Accounting:**

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and Town council on or before June 22 for the following Fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the Town Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the Town's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 18% of the next year's budgeted revenues must be appropriated within the following two years.

Once adopted, the budget may be amended by the Town Board without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Marysvale Town maintains a cash investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

**Deposits:**

At year end, the carrying amount of the Town's deposits was \$22,850 and the bank balances were \$22,850. All of the bank balance was covered by federal depository insurance. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

**MARYSVALE TOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Cash and investments as of June 30, 2005, consist of the following:

	<u>Fair Value</u>
Demand Deposits	22,850
Investments - PTIF	<u>139,446</u>
Total Cash and Investments	<u><u>162,296</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities	64,679
Business-Type Activities - Unrestricted	83,349
Business-Type Activities - Restricted	<u>14,268</u>
Total Cash and Cash Equivalents	<u><u>162,296</u></u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invest in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.



**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Deposit and Investment Risk:**

The Town maintains no investment policy containing any specific provisions intended to limit the Town's exposure to interest rate risk, credit risk and concentration of credit risk other than that imposed by UMMA. The Town's compliance with the provisions of UMMA addressed each of these risks.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investment of the Town are available immediately.

**Credit Risk:**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. All of the Town's demand deposits are covered by FDIC insurance.

Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

**Concentration of Credit Risk:**

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**NOTE 3 - BOND RESERVES**

The 1992 Subordinated Water Revenue Bond requires the Town to place into a reserve account \$118.90 per month to a maximum of \$14,268.00 over ten years. In addition, one months bond payment of \$1,189.00 is required to be in the reserve account at months end. The balance of the bond reserves at June 30, 2005, was \$14,268.00.

**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 4 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental</b>				
Capital Assets Not Being Depreciated:				
Water Rights	22,000	-	-	22,000
Land Under Roads	16,816	-	-	16,816
Construction in Progress	-	12,399	-	12,399
<b>Total Capital Assets Not Being Depreciated</b>	<u>38,816</u>	<u>12,399</u>	<u>-</u>	<u>51,215</u>
Capital Assets Being Depreciated:				
Buildings	111,225	-	-	111,225
Machinery and Equipment	165,271	-	-	165,271
Infrastructure	465,000	-	-	465,000
<b>Total Capital Assets Being Depreciated</b>	<u>741,496</u>	<u>-</u>	<u>-</u>	<u>741,496</u>
Less Accumulated Depreciation For:				
Buildings	60,525	2,657	-	63,182
Machinery and Equipment	91,664	5,472	-	97,136
Infrastructure	255,750	23,250	-	279,000
<b>Total Accumulated Depreciation</b>	<u>407,939</u>	<u>31,379</u>	<u>-</u>	<u>439,318</u>
<b>Total Capital Assets Being Depreciated (Net)</b>	<u>333,557</u>	<u>(31,379)</u>	<u>-</u>	<u>302,178</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>372,373</u>	<u>(18,980)</u>	<u>-</u>	<u>353,393</u>

**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business Type Activities:</b>				
Capital Assets Being Depreciated:				
Water System	<u>925,800</u>	<u>-</u>	<u>-</u>	<u>925,800</u>
Total Capital Assets Being Depreciated	<u>925,800</u>	<u>-</u>	<u>-</u>	<u>925,800</u>
Less Accumulated Depreciation For:				
Water System	<u>396,140</u>	<u>23,145</u>	<u>-</u>	<u>419,285</u>
Total Accumulated Depreciation	<u>396,140</u>	<u>23,145</u>	<u>-</u>	<u>419,285</u>
Total Capital Assets Being Depreciated (Net)	<u>529,660</u>	<u>(23,145)</u>	<u>-</u>	<u>506,515</u>
Business Type Activities Capital Assets, Net	<u>529,660</u>	<u>(23,145)</u>	<u>-</u>	<u>506,515</u>
Total Capital Assets	<u>902,033</u>	<u>(42,125)</u>	<u>-</u>	<u>859,908</u>

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Public Safety	6,954	-	6,954
Public Health	-	23,145	23,145
Highways and Streets	23,583	-	23,583
Culture and Recreation	<u>842</u>	<u>-</u>	<u>842</u>
Total Depreciation Expense	<u>31,379</u>	<u>23,145</u>	<u>54,524</u>

**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 5 - LONG-TERM DEBT**

**Utility Long-Term Debt**

**1992 Subordinated Water Revenue Bonds Payable:**

On October 7, 1992, the Town issued Subordinated Water Revenue Bonds in the amount of \$229,800 to Farmers Home Administration for the purpose of helping to finance the cost of constructing and installing new collection, storage and transmission facilities and additions to the water distribution system and in other ways improving the existing water system. The bond calls for monthly payments by the Town of \$1,189 including interest at 5.5%. The balance at June 30, 2005, was \$200,468.

The following is a schedule of debt service for the Subordinated Water Revenue Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005 - 2006	3,272	10,996	14,268
2006 - 2007	3,422	10,846	14,268
2007 - 2008	3,610	10,658	14,268
2008 - 2009	3,809	10,459	14,268
2009 - 2010	4,019	10,249	14,268
2011 - 2015	23,662	47,678	71,340
2016 - 2020	30,925	40,415	71,340
2021 - 2025	40,417	30,923	71,340
2026 - 2030	52,824	18,516	71,340
2031 - 2035	34,508	3,115	37,623
Total	<u>200,468</u>	<u>193,855</u>	<u>394,323</u>

**Note Payable - State Bank of Southern Utah:**

On April 23, 1998, Marysville obtained financing from State Bank of Southern Utah for the purpose of retiring the 1989, 10.95% Water Revenue Bonds held by Zions First National Bank. The amount of the loan was \$58,750, 6% interest, with payments of \$801.93 per month for 92 consecutive months. First payment due on June 1, 1998. The balance of the note at June 30, 2005, was \$4,766.

The following is a schedule of debt service charges to maturity for the Note Payable:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005 - 2006	<u>4,766</u>	<u>47</u>	<u>4,813</u>

**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 5 - LONG-TERM DEBT (CONTINUED)**

Changes in Utility Long-Term Debt at June 30, 2005, are as follows:

	Date of Issue	Interest Rate	Total Issued	Outstanding June 30, 2004	Current Year Changes		Outstanding June 30, 2005
					Issued	Matured	
Subordinated Water Revenue Bonds - FHA	1992	5.5%	229,800	203,820	-	3,352	200,468
Notes Payable State Bank of Southern Utah	1998	6.00%	58,750	14,384	-	9,618	4,766
Total			288,550	218,204	-	12,970	205,234

**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 5 - LONG-TERM DEBT (CONTINUED)**

The following is a schedule of total debt service charges to maturity for utility long-term debt:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005 - 2006	8,037	11,043	19,080
2006 - 2007	3,422	10,846	14,268
2007 - 2008	3,610	10,658	14,268
2008 - 2009	3,809	10,459	14,268
2009 - 2010	4,019	10,249	14,268
2011 - 2015	23,662	47,678	71,340
2016 - 2020	30,925	40,415	71,340
2021 - 2025	40,417	30,923	71,340
2026 - 2030	52,824	18,516	71,340
2031 - 2035	<u>34,509</u>	<u>3,115</u>	<u>37,624</u>
Total	<u><u>205,234</u></u>	<u><u>193,902</u></u>	<u><u>399,136</u></u>

**NOTE 6 - CLASS C ROAD**

The Town receives Class C Road money from the State of Utah for road construction and maintenance. The unexpended portion of this money is shown as reserved fund balance in the financial statements.

The following is schedule of receipts and disbursements in the Class C Road:

Balance - Beginning of Year	25,158
Receipts:	
State Allotments	40,380
Disbursements:	
Repairs and Maintenance	<u>(7,984)</u>
Balance - End of Year	<u><u>57,554</u></u>

**NOTE 7 - UTAH STATE RETIREMENT PLANS**

Marysville Town does not participate in the Utah State Retirement Plan.

**MARYSVALE TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 8 - RISK MANAGEMENT**

The Town is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries and disasters. The Town is insured through the Utah Local Government Trust for general liability coverage and automobile coverage. The limits of coverage are \$1,000,000 with \$250 deductible for each occurrence for both comprehensive general liability and automobile liability. Uninsured motorist has a \$50,000 limit per each accident.

The Town is insured for property and equipment loss through Utah Local Government Trust. This coverage is for all buildings and equipment owned by the Town. The coverage is for replacement cost with a \$1,000 deductible.

Worker's Compensation coverage is provided through the Worker's Compensation Fund of Utah.

(This page contains no information and  
is used to assist in formatting, for easier reading)



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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**MARYSVALE TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
Budgetary Fund Balance, July 1, 2004	<u>18,037</u>	<u>18,037</u>	<u>18,037</u>	<u>-</u>
Resources (Inflows):				
Taxes:				
General Property Taxes	11,000	13,000	13,745	745
General Sales and Use Taxes	<u>35,000</u>	<u>35,000</u>	<u>37,654</u>	<u>2,654</u>
Total Taxes	<u>46,000</u>	<u>48,000</u>	<u>51,399</u>	<u>3,399</u>
Licenses and Permits	<u>1,500</u>	<u>1,000</u>	<u>716</u>	<u>(284)</u>
Intergovernmental Revenue:				
Class C Road	42,000	42,000	40,380	(1,620)
State Liquor Allotment	200	400	849	449
State Grants	<u>-</u>	<u>-</u>	<u>20,512</u>	<u>20,512</u>
Total Intergovernmental Revenue	<u>42,200</u>	<u>42,400</u>	<u>61,741</u>	<u>19,341</u>
Charges for Services:				
Cemetery	1,000	1,000	1,650	650
Landfill	<u>11,500</u>	<u>33,000</u>	<u>16,524</u>	<u>(16,476)</u>
Total Charges for Services	<u>12,500</u>	<u>34,000</u>	<u>18,174</u>	<u>(15,826)</u>
Other Revenue:				
Interest	1,200	1,200	2,229	1,029
Improvement Assessment	20,900	20,900	10,366	(10,534)
Miscellaneous	-	-	1,975	1,975
Use of Fund Balance	<u>-</u>	<u>600</u>	<u>-</u>	<u>(600)</u>
Total Miscellaneous Revenue	<u>22,100</u>	<u>22,700</u>	<u>14,570</u>	<u>(8,130)</u>
Amounts Available for Appropriation	<u>142,337</u>	<u>166,137</u>	<u>164,637</u>	<u>(1,500)</u>

**MARYSVALE TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Charges to Appropriations (Outflows):</b>				
General Government:				
Administration	44,000	50,200	39,453	10,747
Professional Fees	1,600	1,700	1,600	100
Elections	500	-	-	-
Total General Government	<u>46,100</u>	<u>51,900</u>	<u>41,053</u>	<u>10,847</u>
Public Safety:				
Fire Department	4,000	700	650	50
Police Services	<u>8,000</u>	<u>8,300</u>	<u>8,800</u>	<u>(500)</u>
Total Public Safety	<u>12,000</u>	<u>9,000</u>	<u>9,450</u>	<u>(450)</u>
Highway and Public Improvements:				
Construction	-	-	12,399	(12,399)
Repairs and Maintenance	<u>38,700</u>	<u>38,700</u>	<u>7,984</u>	<u>30,716</u>
Total Highways and Public Improvements	<u>38,700</u>	<u>38,700</u>	<u>20,383</u>	<u>18,317</u>
Sanitation	<u>17,000</u>	<u>17,000</u>	<u>17,764</u>	<u>(764)</u>
Culture and Recreation:				
Cemetery	1,000	1,000	775	225
Parks	<u>5,000</u>	<u>25,000</u>	<u>6,198</u>	<u>18,802</u>
Total Culture and Recreation	<u>6,000</u>	<u>26,000</u>	<u>6,973</u>	<u>19,027</u>
Community and Economic Development:				
Economic Development	1,500	1,500	1,464	36
Improvements	<u>3,000</u>	<u>4,000</u>	<u>2,871</u>	<u>1,129</u>
Total Economic Development	<u>4,500</u>	<u>5,500</u>	<u>4,335</u>	<u>1,165</u>
Total Charges to Appropriations	<u>124,300</u>	<u>148,100</u>	<u>99,958</u>	<u>48,142</u>
Budgetary Fund Balance - June 30, 2005	<u>18,037</u>	<u>18,037</u>	<u>64,679</u>	<u>46,642</u>

**MARYSVALE TOWN  
NOTE A  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

**For The Fiscal Year Ended June 30, 2005**

	<u>General Fund</u>
<b>Sources/Inflows and Resources:</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	164,637
<b>Differences - Budget to GAAP:</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(18,037)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>146,600</u></u>
<b>Uses/Outflows of Resources:</b>	
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	99,958
<b>Differences - Budget to GAAP:</b>	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting pruposes.	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>99,958</u></u>